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## **South Africa - Republic of**

## **Oilseeds and Products Annual**

### **The supply and demand for oilseeds in South Africa**

**Approved By:**

Ross Kreamer

**Prepared By:**

Dirk Esterhuizen

**Report Highlights:**

With the increase in local demand for soybeans due to the building of new crushing plants, post expects that the area to be planted with soybeans in the 2012/13 MY will increase by six percent to 500,000 hectares, which could produce a soybean crop of 835,000 tons - 22 percent more than in the 2011/12 MY. Although unfavorable weather conditions impacted negatively all the summer rainfall crops, soybean production for the 2011/12 MY is expected to be at the same level as the previous season due to an increase in plantings. With an increase in crushing capacity, it is expected that South Africa will crush a record 400,000 tons of soybean in the 2011/12 MY, and will almost double that to 750,000 tons in the 2012/13 MY. On the back of increased local production of soybean meal, imports are expected to decrease by almost eight percent to 880,000 tons in the 2011/12 MY, and even further to 720,000 tons in the 2012/13 MY.



**Executive Summary:**

Post forecasts that sunflower seed production for the 2012/13 MY<sup>[1]</sup> will be around 575,000 tons on 460,000 hectares. It is expected that the area to be planted with soybeans in the 2012/13 MY will increase by six percent on the back of increasing crushing capacity to 500,000 hectares, which, on average yields, could produce 835,000 tons of soybeans (22 percent more than in the 2011/12 MY). Peanut production for the 2012/13 MY is expected to decrease marginally to 50,000 tons on 40,000 hectares, as farmers move to less labor-intensive crops.

On the back of a decrease in hectares planted and unfavorable weather conditions, total oilseed production is expected to drop by almost 23 percent to 1.3 million tons in the 2011/12 MY. Seasonal rainfall from October through March was below average despite expectations of above-average rainfall during a La Niña year. Sunflower production is expected to decrease by 42 percent to 498,000 tons. Soybean production for the 2011/12 MY is expected to be at the same level as the previous season due to an increase in plantings. Hence, post expects a soybean crop of about 707,000 tons. Peanut production is expected to decrease by 14 percent to 55,000 tons.

Post forecasts that by the 2012/13 MY, South Africa will crush more soybeans than sunflower seeds due to an increase in soybean production and soybean crushing capacity. South Africa will produce 873,000 tons of oilseed meal in the 2012/13 MY, almost 53 percent of local consumption, and an increase of 47 percent from the previous season. It is expected that locally-produced soybean oil will almost double to 135,000 tons, while sunflower oil production will stay constant at 247,000 tons in the 2012/13 MY. South Africa will crush a record 1.1 million tons of oilseeds in the 2011/12 MY on increased soybean crushing capacity. This will produce approximately 593,000 tons of oilseed meal and 319,000 tons of oilseed oil.

In the 2012/13 MY, soybean meal imports is expected to drop to 720,000 tons due to increased local production of soybean meal, while sunflower meal imports are expected to stay constant at 90,000 tons. For the 2011/12 MY, imports for soybean meal are expected to decrease by almost eight percent to 880,000 tons, while sunflower meal imports are expected to increase by 18 percent to 90,000 tons.

US\$1 = Rand 7.68 (03/29/2012)

**Sources:**

[www.sagis.org.za](http://www.sagis.org.za)

[www.grainsa.co.za](http://www.grainsa.co.za)

[www.safex.co.za](http://www.safex.co.za)

[www.daff.gov.za](http://www.daff.gov.za)

[www.afma.co.za](http://www.afma.co.za)

<sup>[1]</sup> The marketing years (MY) used in the text refer to the USDA marketing years in the PS&D table, and do not necessarily correspond with the marketing years used by the South African oilseed industry.

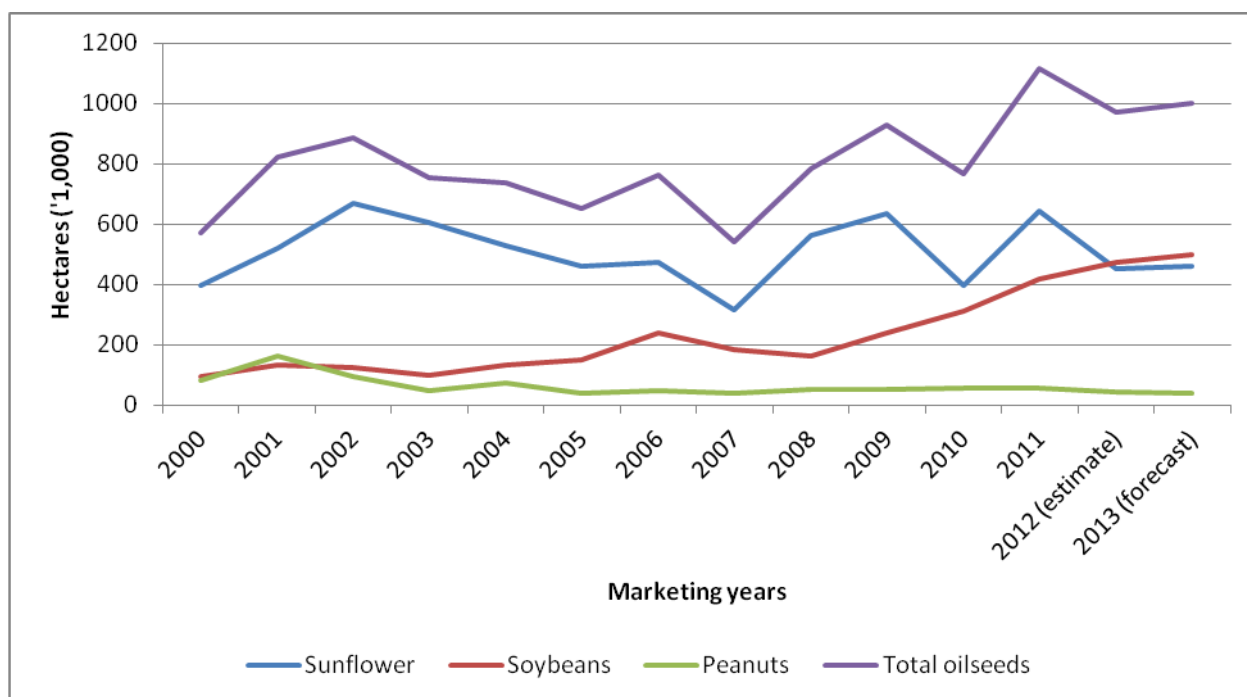
**Total Oilseeds**

## **Production**

A new soybean crushing plant, with a capacity of 132,000 tons per annum, will start operating in May this year. In addition, another three plants, with a combined crushing capacity of about 435,000 tons, will start operating from the middle of 2013. This will increase the local demand for soybeans and consequently the local production of soybeans. However, on the other hand, corn planting is also expected to increase in the 2012/13 MY, on the back of relative low stock levels because of South Africa's export commitments and a current crop that is expected to be relatively lower due to unfavorable weather conditions. This could influence farmers' decision to plant less oilseeds and more corn. In addition, local oilseed stock levels are on record highs. Hence, post expects that the area to be planted with oilseeds later in 2012 for the 2012/13 MY will increase only marginally to one million hectares. Post forecasts that sunflower seed production for the 2012/13 MY will be around 575,000 tons on 460,000 hectares. It is expected that the area to be planted with soybeans in the 2012/13 MY will increase by six percent to 500,000 hectares, which, on average yields, could produce 835,000 tons of soybeans (22 percent more than in the 2011/12 MY). Peanut production for the 2012/13 MY is expected to decrease marginally to 50,000 tons on 40,000 hectares.

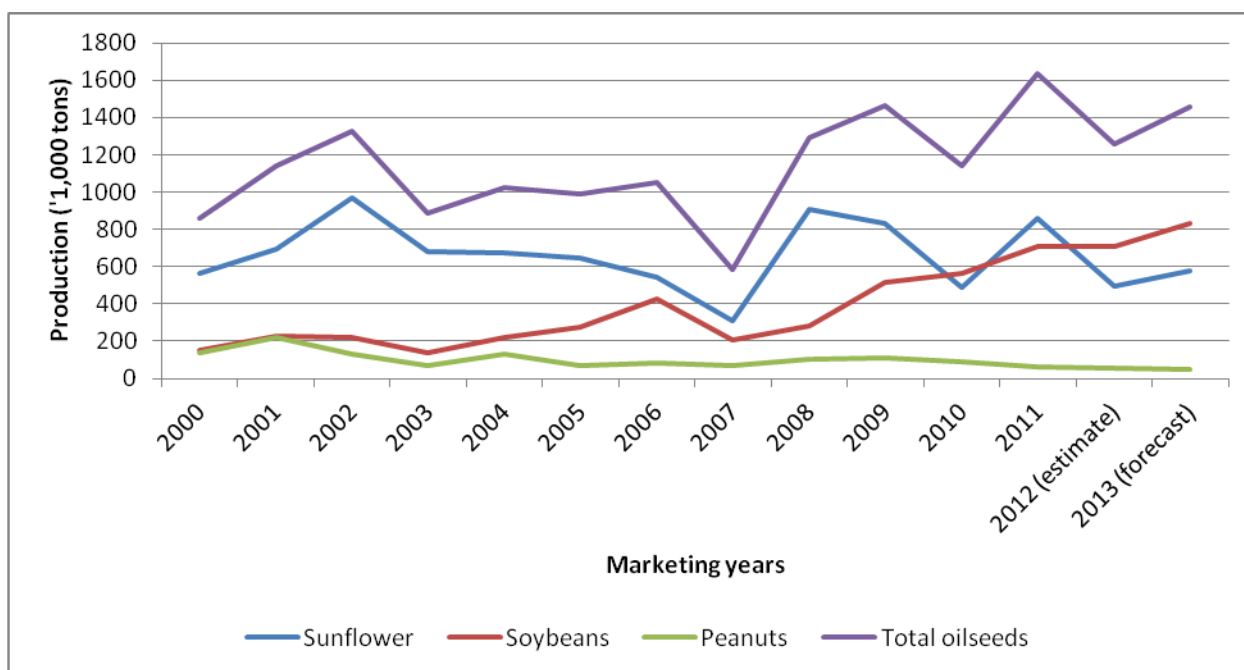
The South African Crop Estimates Committee (CEC) released its second oilseeds production estimate for the 2011/12 MY on March 27, 2012. According to the CEC, South Africa planted, for the first time ever, more soybeans than sunflower seed. This illustrates the remarkable increase, of almost 4-fold, in the hectares planted to soybeans in South Africa over the past ten years. Many South African producers are now recognizing the value of soybeans in a crop rotation system with corn and, in addition, the production of soybeans is made relatively easier with the GM cultivars that are available in South Africa. With the increase in crushing capacity, indications are that this upward trend in soybean plantings will continue in future.

According to the CEC, total oilseed plantings for the 2011/12 MY were down by 13 percent from the previous season to 970,800 hectares (see also Figure 1). The main reason for the decline in oilseed plantings is that total corn plantings, at 3.2 million hectares, are ten percent more than in the 2010/11 MY. Corn plantings are up in response to higher domestic corn prices (almost double) compared to the previous season. Domestic corn prices were up on speculation that corn stock levels in South Africa are decreasing due to increased exports. According to the CEC, producers planted 453,350 hectares of sunflowers, 30 percent less than in the previous season. Soybean plantings are up by 13 percent to 472,000 hectares, another record high for South Africa. Peanut plantings are down by 18 percent to 45,450 hectares.



**Figure 1: Trends in the area planted to oilseeds in South Africa since 2000**

Based on a decrease in hectares planted and unfavorable weather conditions, total oilseed production is expected to drop by almost 23 percent to 1.3 million tons in the 2011/12 MY. Seasonal rainfall from October through February was below average despite expectations of above-average rainfall during a La Niña year. Furthermore, the seasonal rains arrived several weeks late, delaying the launch of the planting campaign. Oilseeds typically are planted from October through December in South Africa. In addition, a dry-spell from mid-February through early March in most of the oilseed growing area did impact negatively on yields, and subsequently yields will be less than last year. Sunflower production is expected to decrease by 42 percent to 498,000 tons. Soybean production for the 2011/12 MY is expected to be at the same level as the previous season due to an increase in plantings. Hence, post expects a soybean crop of about 707,000 tons. Peanut production is expected to decrease by 14 percent to 55,000 tons as farmers shift to less labor-intensive crops. Figure 2 illustrates the trend in oilseed production, by crop, in South Africa since 2000.



**Figure 2: Trends in the production of oilseeds in South Africa since 2000**

The following table contains area planted and production figures for sunflowers, soybeans and peanuts for the 2010/11 MY (actual), 2011/12 MY (estimate) and 2012/13 MY (forecast).

**Table 1: Area planted and production of oilseeds in South Africa**

Oilseeds	Area (1,000ha )	Yield MT/ha	Prod. (1,000 MT)	Area (1,000ha )	Yield MT/ha	Prod. (1,000 MT)	Area (1,000ha )	Yield MT/ha	Prod. (1,000 MT)
Marketing year	2010/11			2011/12			2012/13		
Sunflowers	643	1.3	860	453	1.1	498	460	1.3	575
Soybeans	418	1.7	710	472	1.5	707	500	1.7	835
Peanuts*	55	1.2	64	45	1.2	55	40	1.3	50
<b>TOTAL</b>	<b>1,116</b>	<b>1.5</b>	<b>1,634</b>	<b>970</b>	<b>1.3</b>	<b>1,260</b>	<b>1,000</b>	<b>1.5</b>	<b>1,460</b>

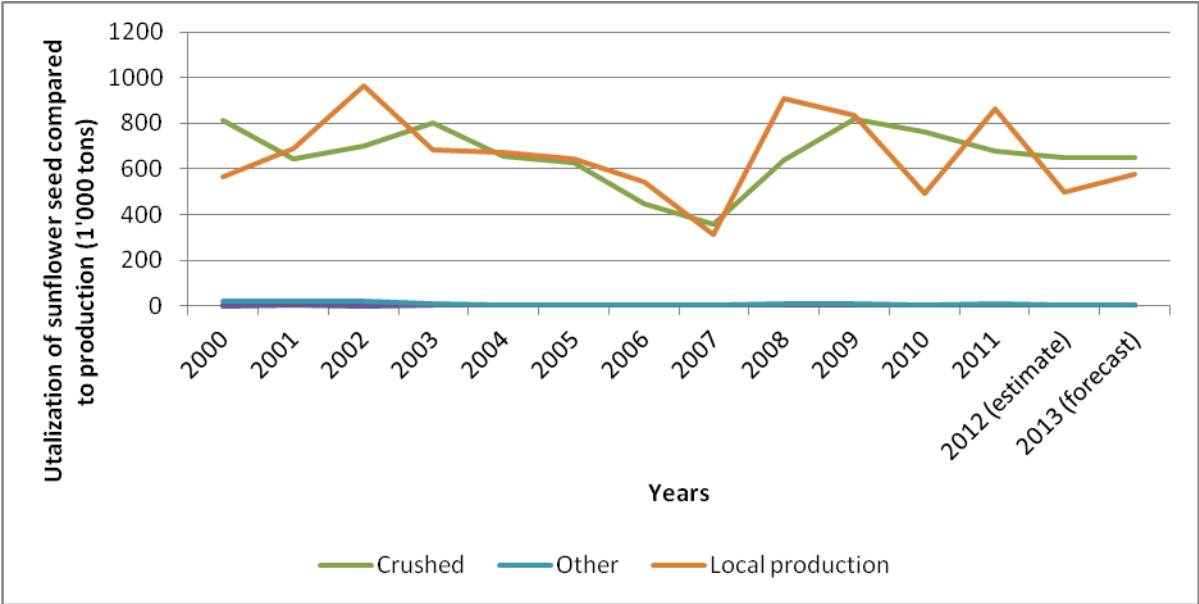
Source: SAGIS

\*Data supplied on a shelled basis, converted to in-shell (X1.33).

## Consumption

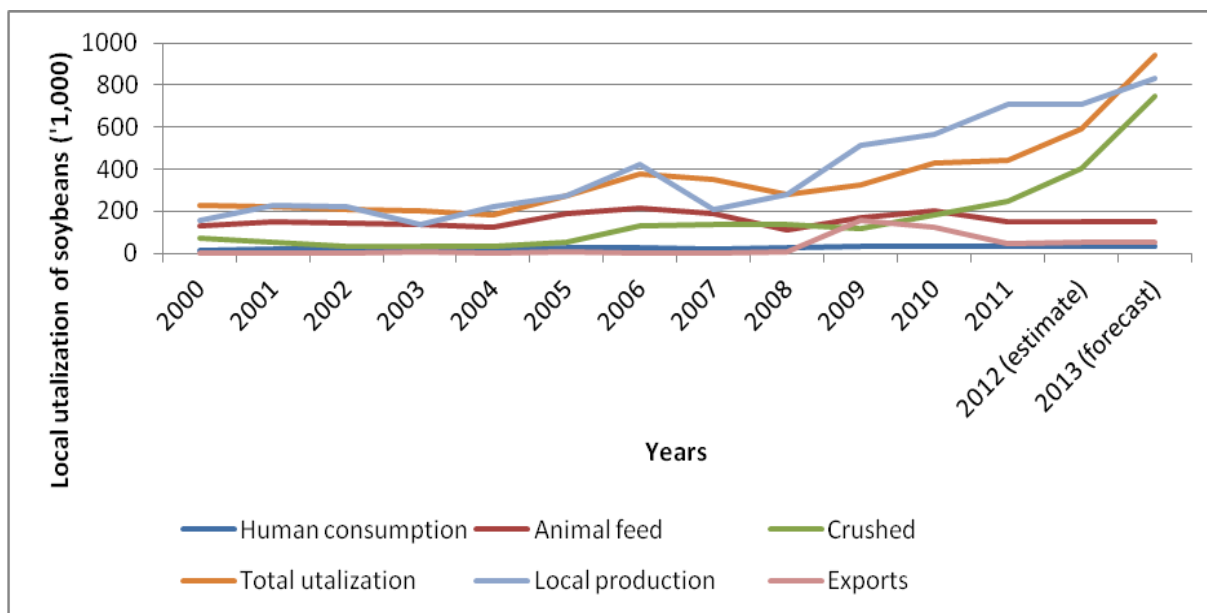
Figure 3 illustrates the trend in the usage of sunflower seed in South Africa. Almost the entire sunflower crop that is produced in South Africa is destined for the processing industry for conversion to sunflower oil. Sunflower meal, a by-product of the oil extraction process, is sold to feed manufacturers domestically. It is generally regarded as a low-value product that does not compare well to soybean meal in terms of nutritional value and fiber content. For example, broiler rations cannot include more than seven percent sunflower meal. Hence, sunflower meal is mainly used as feed in the dairy and beef industries. The crushing capacity for sunflower seed in South Africa is estimated at around 1.1 million

tons per annum, while the capacity for oilseed refineries is estimated at 950,000 tons per annum. Figure 3 illustrates the strong correlation between the local production of sunflower seed and crushing capacity utilized per annum, meaning imports are limited. Due to an expected lower sunflower seed crop in the 2011/12 MY, crushed sunflower seed will drop to 650,000 tons. Post forecasts that the sunflower seed that will be crushed in the 2012/13 MY will also be around 650,000 tons.



**Figure 3: The utilization of sunflower seed in South Africa since 2000**

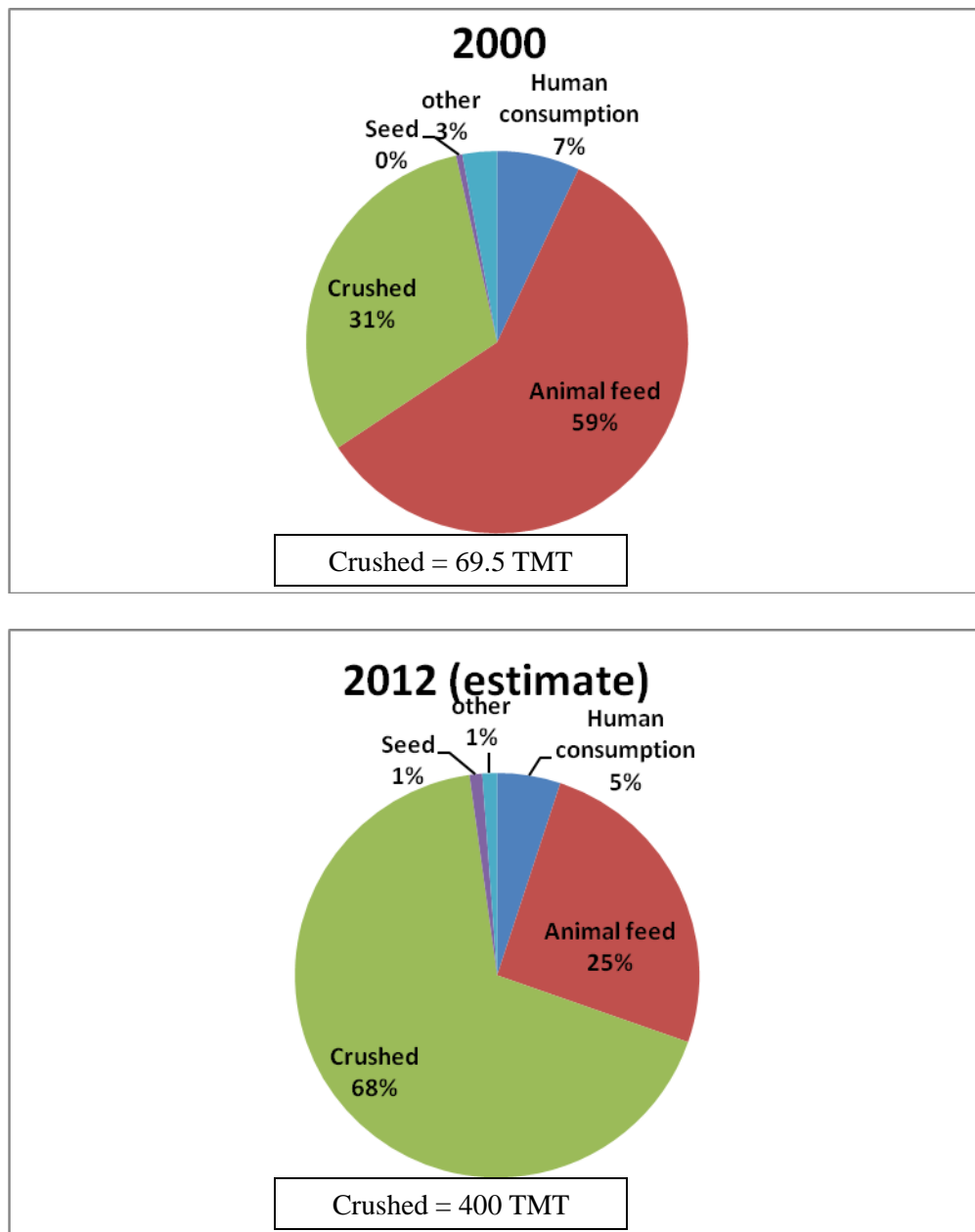
Figure 4 illustrates an increasing trend in the local utilization of soybeans in South Africa, mainly driven by an increase in local soybean production for crushing. As in the case of sunflower seed, local soybean utilization is strongly correlated with local soybean production. However, in 2009 and 2010, local production of soybeans outstripped local utilization and as a result South Africa exported almost 30 percent of its locally produced crop. This illustrated the need for the soybean industry in South Africa to increase and modernize the local processing capacity. Fortunately, investors have concluded that the increasing trend in soybean production in South Africa will continue and that real opportunities exist in investing in new and modern crushing facilities. Hence, 132,000 tons per annum of new soybean crushing capacity will be added to the existing 240,000 tons in May of this year, with an another 435,000 tons of crushing capacity to be added in 2013.



**Figure 4: The utilization of soybean in South Africa since 2000**

With an increase in crushing capacity, it is expected that South Africa will crush a record 400,000 tons of soybean in the 2011/12 MY, and will almost double that amount in the 2012/13 MY to 750,000 tons. The change in the utilization of soybeans in South Africa is also illustrated in Figure 5. For example, in 2000, only 69,500 tons of soybeans or 31 percent of total utilization were crushed, while in 2012, it is estimated that 400,000 tons of soybeans or 68 percent of total utilization will be crushed. Soybean meal is mainly used for feed in the poultry and pork industries. The local demand for soybean meal, as a quality source of protein for animal feed, has increased in correlation with the increase in poultry production in South Africa.

The South African poultry meat industry, with a gross value of more than R23 billion (\$3 billion), is the country's largest individual agricultural industry and contributes almost 18 percent to Agriculture's Gross Domestic Product. Broiler production makes up most of the poultry industry. Although South Africa produces less than 1.5 percent of the world's broiler meat, it is the major broiler producer in the Southern African Development Community (SADC), with almost 80 percent of total broiler production. Since 2000, broiler production in South Africa grew by an average of four percent per annum. However, in 2009 the growth rate dropped to less than one percent as a result of high commodity prices followed by the worldwide economic recession. Fortunately, the South African economy recovered in 2010 from the recession and domestic demand for poultry products increased again. As a result the production of broilers meat increased by four percent in 2010, and by almost two percent in 2011. Broiler meat production is projected to increase further as South Africa's economy is expected to grow by 2.7 percent in 2012, and by 3.6 percent in 2013, which will increase the demand for more animal protein.



**Figure 5: Comparing the percentage utilization of soybeans in the 2000 MY and 2012 MY**

The domestic utilization of sunflower seed and soybeans for the 2010/11 MY (actual), 2011/12 MY (estimate) and 2012/13 MY (forecast) are summarized in Table 2.

**Table 2: The utilization of sunflower seed and soybeans by South Africa**

<b>Oilseeds (‘1,000 MT)</b>	<b>Sun- flower</b>	<b>Soy- beans</b>	<b>Total</b>	<b>Sun- flower</b>	<b>Soy- beans</b>	<b>Total</b>	<b>Sun- flower</b>	<b>Soy- beans</b>	<b>Total</b>
<b>Marketing year</b>	<b>2010/11</b>			<b>2011/12</b>			<b>2012/13</b>		
<b>Crush</b>	676	247	923	650	400	1,050	650	750	1,400
<b>Food</b>	1	30	31	2	30	32	2	30	32
<b>Animal feed</b>	3	150	153	3	150	153	4	150	154
<b>Seed</b>	3	5	8	3	6	9	3	8	11
<b>Other</b>	7	7	14	6	7	13	6	7	13
<b>Exports</b>	0	44	44	0	50	50	0	50	50
<b>TOTAL*</b>	690	483	1,173	664	643	1,307	665	995	1,660

**Source:** SAGIS & Grain SA

\* Including carryover stocks from previous seasons and imports

The domestic consumption for peanuts is shown in Table 3 for the 2010/11 MY (actual), 2011/12 MY (estimate) and 2012/13 MY (forecast). The domestic market is relatively stagnating at around 60,000 tons, with about 35,000 tons of peanuts being consumed in the direct edible market and about 25,000 tons for the peanut butter market.

**Table 3: The utilization of peanuts in South Africa**

<b>Peanuts* (‘1,000 MT)</b>			
<b>Marketing year</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>Direct edible market</b>	33	35	35
<b>Peanut butter market</b>	24	26	25
<b>Oil and oilcake</b>	3	3	3
<b>Seed</b>	2	2	2
<b>Exports</b>	20	8	8
<b>Other</b>	1	1	1
<b>TOTAL**</b>	83	75	74

**Source:** SAGIS & Grain SA

\*Data supplied on a shelled basis, converted to in-shell (X1.33)

\*\* Including carryover stocks from previous seasons and imports

## Prices

The SAFEX prices for sunflower and soybeans as of 03/23/2012 are shown in Table 4. Local sunflower prices are trading six percent higher than a year ago, while soybean prices are three percent lower due to the availability of carryover stocks, which is putting downward pressure on prices.

**Table 4: SAFEX prices for sunflower and soybeans**

<b>SAFEX Futures prices</b>			
<b>Commodity</b>	<b>2011/04</b>	<b>2011/05</b>	<b>2011/07</b>
Sunflowers	R4,580/t (\$596/t)	R4,635/t (\$604/t)	R4,640/t (\$604/t)
Soybeans	R3,713/t (\$483/t)	R3,745/t (\$488/t)	R3,795/t (\$494/t)

Source: SAFEX

## Trade

Although South Africa's trade in oilseeds is mainly directed to the imports of oil and protein meal, South Africa became a net exporter of soybeans over the past few years, due to the increased production and limited processing facilities. However, in anticipation of the new crushing facilities, exports have decline sharply in the 2010/11 MY to only 43,505 tons. Exports are expected to be on the same level in the 2011/12 MY and 2012/13 MY at about 50,000 tons. South Africa exported soybeans in 2010/11 MY mainly to two countries, Malaysia (40,022 tons) and Mozambique (1,889 tons).

South Africa imported a small amount (26,435 tons) of sunflower seeds in the 2010/11 MY according to the Global Trade Atlas (10,900 tons according to SAGIS). Sunflower seed was mainly imported from Romania (25,227 tons). Due to an expected decrease in the sunflower seed crop, imports are expected to increase to about 50,000 tons in the 2011/12 MY and the 2012/13 MY.

Exports of peanuts (according to SAGIS) reached about 20,000 tons for the 2010/11 MY. Exports are expected to decrease to 8,000 tons in the 2011/12 MY and the 2012/13 MY, due to a decrease in local production.

Current import tariffs for oilseeds and oilseed products are summarized in Table 5. Last year, the International Trade Administration Commission (ITAC) in South Africa announced that the import duty on soybean meal will remain unchanged for three years to allow local producers to increase production and for soybean crushers to generate the needed capacity to service the local market in terms of quality and quantity. Both appear to be within reach.

**Table 5: Current import tariffs of oilseeds**

<b>Product</b>	<b>General rate of duty</b>	<b>EU and SADC</b>
Sunflower seed (12.06)	9.4%	Free
Soybeans (12.01)	8%	Free
Peanuts (12.02)	10%	Free
Soybean meal (23.04)	6.6%	Free
Sunflower meal (23.06)	6.6%	Free
Soybean oil (15.07)	10%	Free
Sunflower oil (15.1211)	10%	Free

Source: SAGIS

<b>Oilseed, Sunflower seed South Africa</b>	<b>2010/2011</b>	<b>2011/2012</b>	<b>2012/2013</b>
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	Market Year Begin: Apr 2011		Market Year Begin: Apr 2012		Market Year Begin: Apr 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Planted</b>	650	643	650	453		460
<b>Area Harvested</b>	645	643	650	453		460
<b>Beginning Stocks</b>	0	0	26	196		80
<b>Production</b>	830	860	850	498		575
<b>MY Imports</b>	65	26	25	50		50
<b>MY Imp. from U.S.</b>	0	0	0	0		0
<b>MY Imp. from EU</b>	0	25	0	25		30
<b>Total Supply</b>	895	886	901	744		705
<b>MY Exports</b>	1	0	25	0		0
<b>MY Exp. to EU</b>	0	0	0	0		0
<b>Crush</b>	850	676	825	650		650
<b>Food Use Dom. Cons.</b>	3	1	3	2		2
<b>Feed Waste Dom. Cons.</b>	15	13	22	12		13
<b>Total Dom. Cons.</b>	868	690	850	664		665
<b>Ending Stocks</b>	26	196	26	80		40
<b>Total Distribution</b>	895	886	901	744		705
1000 HA, 1000 MT						

Oilseed, Soybean South Africa	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jun 2011		Market Year Begin: Jun 2012		Market Year Begin: Jun 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Planted</b>	420	418	420	472		500
<b>Area Harvested</b>	418	18	420	472		500
<b>Beginning Stocks</b>	47	47	87	273		337
<b>Production</b>	710	710	750	707		835
<b>MY Imports</b>	0	0	0	0		0
<b>MY Imp. from U.S.</b>	0	0	0	0		0
<b>MY Imp. from EU</b>	0	0	0	0		0
<b>Total Supply</b>	757	757	837	980		1,172
<b>MY Exports</b>	50	44	80	50		50
<b>MY Exp. to EU</b>	0	0	0	0		0
<b>Crush</b>	240	247	260	400		750
<b>Food Use Dom. Cons.</b>	40	30	40	30		30
<b>Feed Waste Dom. Cons.</b>	340	162	360	163		165
<b>Total Dom. Cons.</b>	620	439	660	593		945
<b>Ending Stocks</b>	87	273	97	337		177
<b>Total Distribution</b>	757	756	837	980		1,172
1000 HA, 1000 MT						

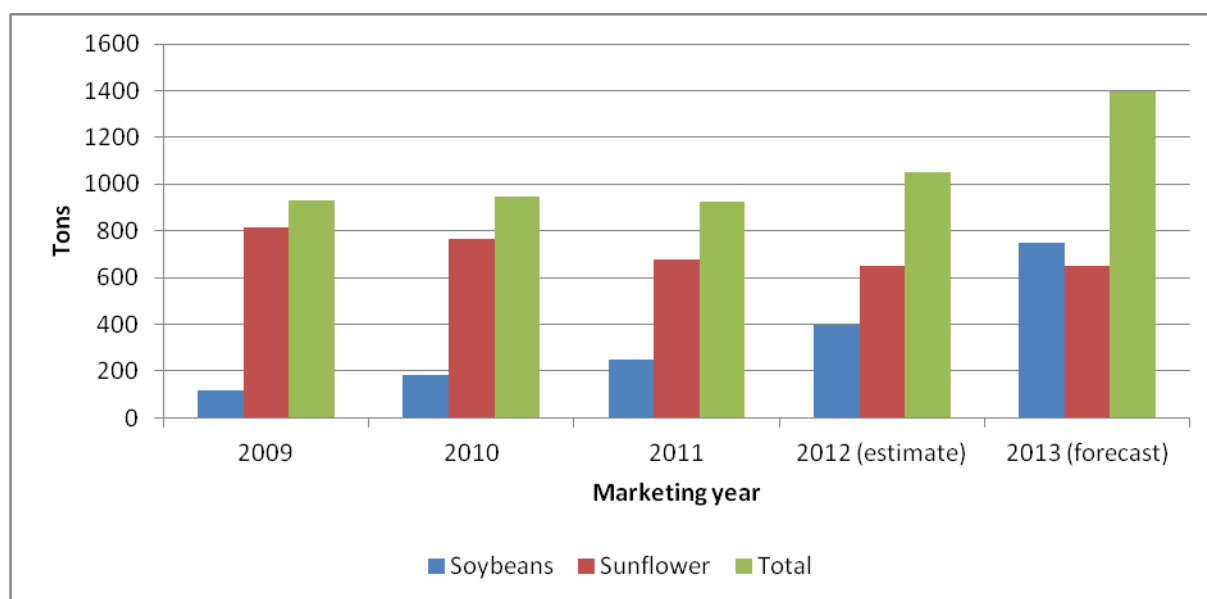
Oilseed, Peanut South Africa	2010/2011	2011/2012	2012/2013
	Market Year Begin: Apr 2011	Market Year Begin: May 2011	Market Year Begin: Apr 2013

	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Planted</b>	55	55	55	45		40
<b>Area Harvested</b>	55	55	55	45		40
<b>Beginning Stocks</b>	8	8	6	2		6
<b>Production</b>	115	85	120	73		67
<b>MY Imports</b>	15	20	15	30		30
<b>MY Imp. from U.S.</b>	0	0	0	0		0
<b>MY Imp. from EU</b>	0	0	0	0		0
<b>Total Supply</b>	138	113	141	105		103
<b>MY Exports</b>	25	27	25	10		10
<b>MY Exp. to EU</b>	0	0	0	0		0
<b>Crush</b>	25	4	25	4		4
<b>Food Use Dom. Cons.</b>	76	76	77	81		80
<b>Feed Waste Dom. Cons.</b>	6	4	6	4		4
<b>Total Dom. Cons.</b>	107	84	108	89		88
<b>Ending Stocks</b>	6	2	8	6		5
<b>Total Distribution</b>	138	113	141	105		103
1000 HA, 1000 MT						

**Total Meals**

## Production

In the 2010/11 MY, South Africa crushed about 923,000 tons of oilseeds, marginally less than in the 2009/10 MY, which produced 482,000 tons of meal. Post estimates that South Africa will crush a record 1.1 million tons of oilseeds in the 2011/12 MY, supported by increased soybean crushing capacity. This will produce approximately 593,000 tons of oilseed meal. This is 23 percent more locally produced meal than in the 2010/11 MY, but represent only 38 percent of local consumption (see also Table 6). In Figure 7, the expected trend in oilseeds crushed in South Africa from 2009 to 2013 is illustrated. Post forecasts that by the 2012/13 MY, South Africa will crush more soybeans than sunflower seeds due to the increase in soybean crushing capacity and a decrease in sunflower production. South Africa will produce 873,000 tons of oilseed meal in the 2012/13 MY, almost 53 percent of local consumption, and an increase of 47 percent from the previous season. In Table 6, the production of soybean meal and sunflower meal in South Africa are shown for the 2010/11 MY (actual), 2011/12 MY (estimate) and 2012/13 MY (forecast). Crushing yields used includes 42 percent meal for sunflower seed and 80 percent meal for soybeans.



**Figure 6: Trends in oilseeds crushed in South Africa**

**Table 6: Oilseed meal production in South Africa**

Oilseeds (1,000MT)	Crush			Meal produced		
	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13
Sunflower (42% meal)	676	650	650	284	273	273
Soybean (80% meal)	247	400	750	198	320	600
TOTAL	923	1,050	1,400	482	593	873

Source: SAGIS

## Consumption

In 2010/11, South Africa consumed about 1.5 million tons of oilseed meal. The consumption of oilseed meal in South Africa is expected to grow by three percent in the 2011/12 MY to 1.6 million tons and by almost seven percent in 2012/13 MY to 1.7 million tons, mainly driven by an increase in demand and the availability local produced soybean meal for feed. In Table 7, the consumption of soybean meal and sunflower meal in South Africa are shown for the 2010/11 MY (actual), 2011/12 MY (estimate) and 2012/13 MY (forecast).

**Table 7: The consumption of soybean meal and sunflower meal**

<b>Oilseeds (1,000MT)</b>			
<b>Marketing year</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Sunflower meal	360	360	360
Soybean meal	1,140	1,190	1,300
<b>TOTAL</b>	<b>1,500</b>	<b>1,550</b>	<b>1,660</b>

In Table 8, the raw material usage and inclusion rates by members of the Animal Feed Manufacturers Association (AFMA) for the 2009/10, 2010/11 and 2011/12 April/March-marketing years are shown. This amounts to between 70 percent to 80 percent of the total raw material used by feed manufactures in South Africa. The inclusion rate of soybean meal and sunflower meal is about 20 percent in feed rations by AFMA members.

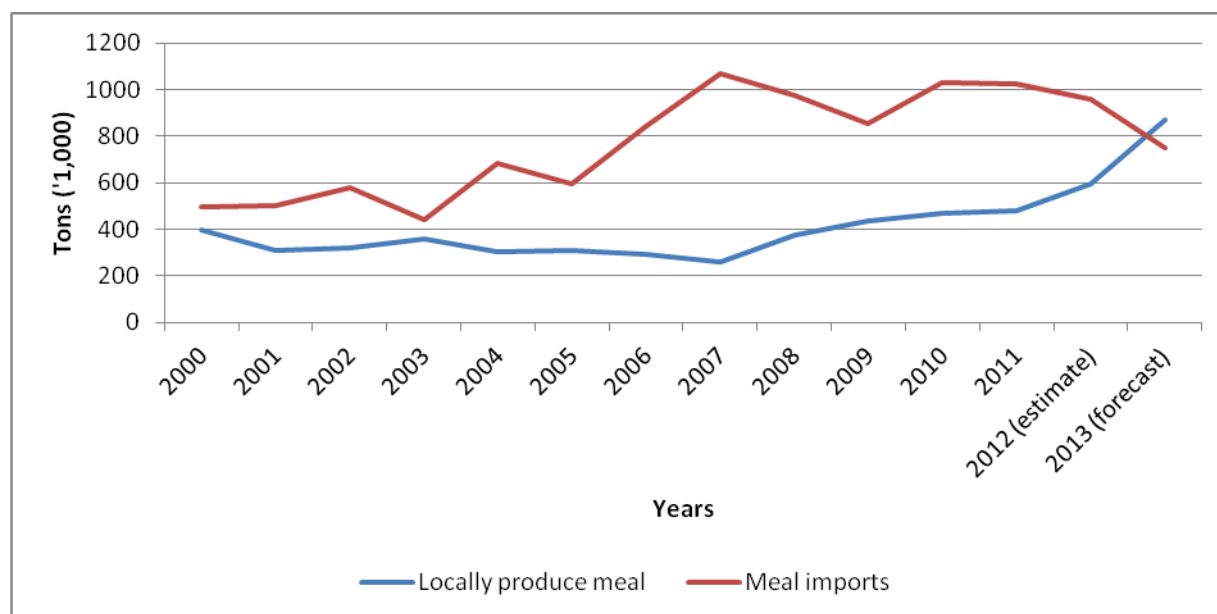
**Table 8: Raw material usage by AFMA members (April to March)**

<b>Raw materials</b>	<b>Total (1,000MT) 2009/10</b>	<b>Inclusion rate (%)</b>	<b>Total (1,000MT) 2010/11</b>	<b>Inclusion rate (%)</b>	<b>Total (1,000MT) 2011/12</b>	<b>Inclusion rate (%)</b>
Sunflower meal	314	5.9	257	4.6	223	4.0
Groundnuts meal	0	0.0	0	0.0	3	0.1
Soybean meal	701	13.2	816	14.8	852	15.3
Full fat soy	165	3.1	143	2.6	106	1.9
Cotton meal	19	0.4	17	0.3	15	0.3
Cotton seed	5	0.1	6	0.1	6	0.1
Canola meal	3	0.1	6	0.1	7	0.1
Full fat canola	1	0.0	1	0.0	1	0.0
Copra and Palm Kernel	8	0.1	7	0.1	7	0.1
Corn germ oilcake	4	0.1	2	0.0	0	0.0
<b>Total oilseed meal</b>	<b>1,218</b>	<b>22.9</b>	<b>1,255</b>	<b>22.7</b>	<b>1,219</b>	<b>21.9</b>
<b>Total corn products</b>	<b>2,901</b>	<b>54.6</b>	<b>3,035</b>	<b>54.9</b>	<b>3,096</b>	<b>55.7</b>
<b>Total fishmeal</b>	<b>77</b>	<b>1.1</b>	<b>31</b>	<b>0.6</b>	<b>28</b>	<b>0.5</b>

Source: AFMA

## Trade

Figure 7 illustrates how the gap between soybean and sunflower meal produced in South Africa and the imports of these meals is expected to close in the 2012/13 MY as current investments in modern soybean crushing facilities will increase the availability of quality local produced soybean meal.



**Figure 7: The gap between soybean and sunflower meal produced in South Africa and imports of these meals**

Imports of soybean meal and sunflower meal in the 2010/11 MY, reported at 946,205 tons and 75,595 tons respectively, were basically at the same level as the previous year. Almost all imports of soybean meal and sunflower meal were from Argentina. Below are the import trade matrices of sunflower meal and soybean meal. For the 2011/12 MY, imports for soybean meal are expected to decrease by almost eight percent to 880,000 tons, while sunflower meal imports are expected to increase to 90,000 tons. In the 2012/13 MY, soybean meal imports are expected to drop even further to 720,000 tons due to increase local production of soybean meal. Sunflower meal imports are expected to stay constant at 90,000 tons in the 2012/13 MY.

#### Import Trade Matrix

<b>Country</b>	South Africa	
<b>Commodity</b>	Sunflower meal	
Time Period	CY	Units: MT
Imports for:	2010	2011
U.S.	0	0
Others		Others
Argentina	73,338	Argentina 75,021
Total for Others	73,338	75,021
Others not Listed	241	574
Grand Total	73,579	75,595

## Import Trade Matrix

Country	South Africa		Units:	
Commodity	Soybean meal			
Time Period	CY			MT
Imports for:	2010			2011
U.S.	0		U.S.	0
Others			Others	
Argentina	957,524		Argentina	946,016
Zambia	1,136			
Total for Others	958,660			946,016
Others not Listed	212			189
Grand Total	958,872			946,205

Meal, Soybean South Africa	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jun 2011		Market Year Begin: Jun 2012		Market Year Begin: Jun 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Crush</b>	240	247	260	400		750
<b>Extr. Rate, 999.9999</b>	1	1	1	1		1
<b>Beginning Stocks</b>	0	0	0	0		0
<b>Production</b>	189	198	205	320		600
<b>MY Imports</b>	950	950	1,000	880		720
<b>MY Imp. from U.S.</b>	0	0	0	0		0
<b>MY Imp. from EU</b>	0	0	0	0		0
<b>Total Supply</b>	1,139	1,148	1,205	1,200		1,320
<b>MY Exports</b>	15	8	15	10		20
<b>MY Exp. to EU</b>	0	0	0	0		0
<b>Industrial Dom. Cons.</b>	0	0	0	0		0
<b>Food Use Dom. Cons.</b>	0	0	0	0		0
<b>Feed Waste Dom. Cons.</b>	1,124	1,140	1,190	1,190		1,300
<b>Total Dom. Cons.</b>	1,124	1,140	1,190	1,190		1,300
<b>Ending Stocks</b>	0	0	0	0		0
<b>Total Distribution</b>	1,139	1,148	1,205	1,200		1,320

1000 MT, PERCENT

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## **Total Oils**

### **Production**

It is estimated that South Africa will produce 319,000 tons of oilseed oil in the 2011/12 MY. This is almost six percent more than the 302,000 tons produced in the 2010/11 MY. For the 2012/13 MY, it is expected that locally produced soybean oil will almost double to 135,000 tons, while sunflower oil production will stay constant at 247,000 tons. In Table 9, the production of soybean oil and sunflower oil in South Africa are shown for the 2010/11 MY (actual), 2011/12 MY (estimate) and 2012/13 MY (forecast). Crushing yields used include 38 percent oil for sunflower seed and 18 percent oil for soybeans.

**Table 9: Oilseed oil production in South Africa**

<b>Oilseeds (1,000MT)</b>	<b>Crush</b>			<b>Oil produce</b>		
<b>Marketing year</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Sunflower (38% oil)	676	650	650	257	247	247
Soybean (18% oil)	247	400	750	45	72	135
<b>TOTAL</b>	<b>923</b>	<b>1,050</b>	<b>1,400</b>	<b>302</b>	<b>319</b>	<b>382</b>

### **Consumption**

South Africa consumes just over one million tons of vegetable oil per annum. Approximately 30 percent of the vegetable oil is locally produced. In Table 10, the consumption of soybean oil, sunflower oil, palm oil and other vegetable oils in South Africa are shown for the 2010/11 MY (actual), 2011/12 MY (estimate) and 2012/13 MY (forecast). An increasing trend in vegetable oil consumption in South Africa is expected to continue in relation to economic growth. South Africa's economy is expected to grow by 2.7 percent in 2012 and by 3.6 percent in 2013 on the back of robust household consumption and stronger public and private sector investments.

**Table 10: The consumption of soybean oil, sunflower oil and palm oil in South Africa**

<b>Oilseeds (1,000MT)</b>			
<b>Marketing year</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Sunflower oil	300	310	320
Soybean oil	270	280	300
Palm oil	370	390	410
Other vegetable oils	80	80	80
<b>TOTAL</b>	<b>1,020</b>	<b>1,060</b>	<b>1,110</b>

### **Trade**

Sunflower oil imports by South Africa decreased by almost 20 percent to 86,774 tons in the 2010/11 MY, supported by a 15 percent increase in local production. Soybean oil imports at 275,900 tons were on the same level as the previous year. Sunflower oil was imported from the Ukraine (50 percent), Argentina (40 percent) and the United States (10 percent), while soybean oil was imported mainly from Spain (34 percent), Germany (33 percent), and the Netherlands (13 percent). The imports of palm oil

increased by five percent in the 2010/11 MY to 365,543 tons. Palm oil is mainly imported from Malaysia (54 percent) and Indonesia (44 percent).

For the 2011/12 MY and 2012/13 MY, sunflower oil imports are expected to increase to 120,000 tons and 130,000 tons, respectively, on lower local production and growth in demand. Soybean oil imports for the 2011/12 MY are expected to be on the same level as in the 2010/11 MY at about 270,000 tons. However, in the 2012/13 MY, imports of soybean oil are expected to drop by almost 19 percent to 220,000 tons, as more soybean oil will be produced locally.

South Africa also exports oilseed oils to neighboring countries such as Zimbabwe and Mozambique. In the 2010/11 MY, South Africa exported 53,812 tons of sunflower seed oil and 53,635 tons of soybean oil. These exports are expected to continue at the same level in the 2011/12 MY and 2012/13 MY.

#### Import Trade Matrix

<b>Country</b>	South Africa		
<b>Commodity</b>	Sunflower oil		
Time Period	CY	Units:	MT
Imports for:	2010		2011
U.S.	0	U.S.	8,506
Others	Others		
Argentina	79,955	Ukraine	41,171
Russia	11,983	Argentina	35,295
Ukraine	8,487		
Netherlands	4,990		
Bolivia	2,323		
Total for Others	107,739		76,466
Others not Listed	575		1,802
Grand Total	108,314		86,774

#### Import Trade Matrix

**Country** South Africa

<b>Commodity</b>	Soybean oil		
Time Period	CY	Units:	MT
Imports for:	2010		2011
U.S.	0	U.S.	125
Others	Others		
Argentina	82,711	Spain	93,447
Germany	88,326	Germany	89,927
Netherlands	57,299	Netherlands	36,838
Spain	29,526	Brazil	30,188
Brazil	15,312	Argentina	25,284
Total for Others	273,174		275,684
Others not Listed	109		91
Grand Total	273,283		275,900

### Import Trade Matrix

<b>Country</b>	South Africa		
<b>Commodity</b>	Palm oil		
Time Period	CY	Units:	MT
Imports for:	2010		2011
U.S.	0	U.S.	0
Others	Others		
Malaysia	176,924	Malaysia	199,362
Indonesia	169,733	Indonesia	160,821
Argentina	2,593	India	4,020
Total for Others	349,250		364,203
Others not Listed	110		1,340
Grand Total	349,360		365,543

Oil, Sunflower seed South Africa	2010/2011	2011/2012	2012/2013
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